



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
FILLMORE FIELD OFFICE
35 East 500 North
Fillmore, UT 84631
<http://enbb.blm.interwebdesign.com>



RECEIVED

JAN 05 2001

DIVISION OF
OIL, GAS AND MINING

IN REPLY REFER TO:
3800
(U-010)
UTU-078293

January 3, 2001

CERTIFIED MAIL # 7000 0600 0028 5326 2027
RETURN RECEIPT REQUESTED

DAVID L PENNEY
PO BOX 312
BEAVER UT 84713

Dear Mr. Penney:

Your notice to conduct mining related operations on unpatented mining claims, located in, Secs. 3, 10 and 11, T. 25 S., R. 15 W., SLBM, was received on 19 December, 2000, and has been accepted by this office. Your notice has been assigned case file number UTU-078293. Please use this number in any future correspondence concerning this notice.

If you change your operation from what is described in your notice, you are required to contact this office prior to the change. If your operation extends for more than one year, please advise this office on the status of your mining related activity on the anniversary date of your notice.

Our acceptance of your notice is only effective in so far as Bureau of Land Management (BLM) administered lands are involved. If you are not the land owner of the adjacent parcels, we recommend that you obtain permission from adjacent land owners before you begin your operations.

We are of the preliminary opinion the deposit you have claimed is "common variety" and, as such, is not open to location. The proper procedure for mining and disposal of this material is through 43 CFR 3610, mineral material sales, wherein you would relinquish your claims and sign a contract with the BLM to purchase the material at a specified price. In fact, a community pit has been established in the Northwest corner of

Section 11, Township 25 South, Range 15 West, SLBM. Material removed from this pit must be purchased through our mineral materials sales process and is not open to location. We will gladly provide you with information regarding mineral material sales.

If you are convinced that your deposit is locatable, please be aware the Court has set standards to distinguish between common varieties and uncommon varieties of mineral deposits or stone. The standards are:

1. There must be a comparison of the mineral deposit in question with other deposits of such minerals generally;
2. The mineral deposit in question must have a unique property;
3. The unique property must give the deposit a distinct and special value;
4. If the special value is for uses to which ordinary varieties of the mineral are put, the deposit must have some distinct and special value for such use; and
5. The distinct and special value must be reflected in the market place (or in reduced cost or overhead so that the profit to the claimant would be substantially more).

Should a final determination by the Department of Interior be made that this material is, in fact, "common variety", you could be responsible to the United States for the value of this material, damage to the land, and the administrative costs of recovering such compensation.

We will forward a copy of your notice/plan of operations on to the state Division of Oil, Gas and Mining (DOGM) for their review. Please be advised that you must receive written acceptance from DOGM before commencing active operations on your project area. DOGM requires the payment of permit application fees before acknowledging acceptance of a complete notice of intention. A \$100 fee is required to accompany new notices for exploration or small mining operations (disturbing 5 or less surface acres); \$350 is required for large mining notices (plan of operation level projects over 5 disturbed acres but less than 50); or \$750 for large mining operation over 350 acres of surface disturbance. You may contact them at (801) 538-5291 for more information in this regard.

Also, all mining claimants and operators intending to use, store, or divert water are required by Utah and Federal statute to notify the following agencies:

Utah Department of Water Resources
1636 West North Temple
Salt Lake City, Utah 84180-1203

and

U. S. Army Corps of Engineers
Utah Regulatory Office
1403 South 600 West, Suite A
Bountiful, Utah 84010

A permit for explosives may be required from the Bureau of Alcohol, Tobacco, and Firearms (ATF). The address for ATF is

125 South State Street
Salt Lake City, Utah 84145.

If ATF requires a permit, a copy of the permit should be submitted to this office.

You are required to report to this office, all hazardous materials associated with your operation along with information regarding their use, storage, transport, quantity, generation and disposal. Information regarding hazardous materials can be obtained from the State of Utah, Department of Environmental Quality, Division of Solid and Hazardous Waste at:

288 North 1460 West
Salt Lake City, Utah 84114-4880

You are required to contact the Department of Environmental Quality (DEQ), Emergency Response Section (ERS) at the Sections 24-hour response number (801-536-4123) immediately of a spill or discharge of hazardous substances.

If you are selling any minerals extracted during your mining activities, the U. S. Department of Labor, Mine Safety and Health Administration (MSHA) may consider your operation to be under its jurisdiction. We recommend you contact them at:

USDOL Mine Safety and Health Administration
125 South State, Room 8220
Salt Lake City, UT 84138

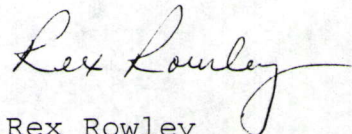
Failure to follow all Local, State, and Federal guidelines and or regulations while operating on public lands may result in the issuance of a Notice of Noncompliance from the BLM.

As required by 43 CFR 3809, Surface Management Regulations, reasonable measures must be taken to prevent unnecessary or undue degradation of public lands and reclamation is required at the earliest feasible time. Please notify this office upon completion of operations and reclamation so an inspection may be conducted on the site. Reclamation under this notice is required to conform to the standards of the Utah Mined Land Reclamation Act.

Acceptance of your notice will not now, nor in the future, serve as a determination of the validity nor ownership of any mining claim included under your notice.

If you have any questions regarding this letter, please feel free to contact Jerry Mansfield at (435) 743-3125 or Larry Garahana at (435) 743-3126. Thank you for submitting your notice.

Sincerely,



Rex Rowley
Field Manager

cc: D. Wayne Hedberg, UDOGM
Leon Smith, Millard County Planning and Zoning
Mike Okuniewicz, USDOL Mine Safety and Health Admin
Tina Robinson, 210 S 300 E, Beaver, UT 84713